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Finance Act 2026

Key amendments

August 2026

The Finance Act 2026 (“FA 2026”) and The Economic and Financial Measures (Miscellaneous Provisions) Act (collectively referred as the “Acts”) received the President’s assent on 12 August 2026 and were gazetted on 13 August 2026.

One of the notable amendments brought by FA 2026, is the repealing of the temporary Fair Share Contribution on individuals, which raised concerns specifically around the taxation of local dividends where same were already taxed at the level of profitable companies. The new tax rate of 35% introduced by FA 2026 brings permanency in the marginal tax rate of 35% for high income earners with chargeable income exceeding MUR 12 million.

On the corporate income tax front, FA 2026 brings clarification with regards to the restriction on claim of foreign tax credit against the CCR levy which was announced in the Budget Speech. Such claims will still be permissible for the purpose of eliminating double taxation under a valid Double Taxation Avoidance Agreement with a source jurisdiction.

Another key amendment brought by FA 2026 is the introduction of the 5% insurance premium tax to be levied by insurers on the value of premiums payable under general insurance business. This may prove to be an additional tax burden passed on end-consumers amidst the increasing cost of living over the recent years. It is also worthwhile to note that an additional tax of 10% will henceforth be payable by sellers on transfer of residential property situated on State Land or Pas Géométriques to a non-citizen.

This Alert covers the key tax and regulatory amendments being brought by the Acts. We trust you will find our alert informative and feel free to contact us for any clarification that you may require.

Roopesh Dabeesingh
Tax and Legal Leader

Corporate Tax

Corporate Tax

Amendments		Effective Date
Qualified Domestic Minimum Top-up Tax ("QDMTT") • Investment funds and Real estate investment vehicles designated as UPE of MNEs excluded from the definition of covered person for QDMTT purposes • Financial accounting net income or loss to exclude consolidations adjustments made for eliminating intra-group transactions. • Penalty for non-payment of QDMTT reduced from 5% to 2.5% • Time period for amending of QDMTT extended from 2 years to 3 years	▶	**YOA commencing 1 July 2025**
Income derived from provision of ICT Services • Income derived by non-resident companies from the provision of ICT services supplied in Mauritius now to be deemed as income derived from Mauritius and subject to income tax in Mauritius	▶	**13 August 2026**
Reduced tax rate of 3% on export of goods • Exports of goods has been amended to exclude export of live animals entitled to reduced tax rate of 3%	▶	**13 August 2026**
Global Business Entity • Definition of Global Business Entity amended to include qualifying foundations, trusts and trustees of unit trust schemes where the founder/settlor/trustee is a non-resident or Global Business Licence holder, beneficiaries are non-residents or Global Business Licence holders throughout the income year, or the business is carried out outside Mauritius	▶	**YOA commencing 1 July 2027**
Corporate Social Responsibility ("CSR") • Companies allowed to remit only up to 25% of CSR Fund set up on or after 1 January 2027 to finance an approved CSR program or an approved NGO	▶	**13 August 2026**

Corporate Tax

Amendments | **Effective Date**

Corporate Climate Responsibility ("CCR") Levy

- CCR Levy to be paid in quarterly APS returns and annual tax return to be implemented in a phased manner over the next 4 income years as follows:

FY 2026/2027	25%
FY 2027/2028	50%
FY 2028/2029	75%
FY 2029/2030	100%

- No tax credits shall be available for offsetting against the CCR Levy, except for:
  - Investment tax credit on acquisition of new plant and equipment by manufacturing companies
  - Tax credit available under tax treaties and bilateral arrangements

▶ **13 August 2026**

Tax Deducted at Source ("TDS")

- TDS of 1 per cent to apply on software-related payments exceeding MUR 300,000.
- TDS of 5 per cent on payments for advertising, promotional, endorsement or marketing services provided through social media and other electronic platforms

▶ **13 August 2026**

Investment Tax Credit

- Existing investment tax credit available to manufacturing companies extended to cover plant and machinery (excluding motor vehicles), artificial intelligence solutions and patents acquired during the period up to 30 June 2029

▶ **13 August 2026**

Corporate Tax

Amendments		Effective Date
Additional Deductions available to hotels & higher education institutions • The following additional deductions removed: - 150% deduction on expenditure incurred by hotels on cleaning, renovation and embellishment works in the public realm - 200% deduction in respect of expenditure incurred by higher education institutions in connection with agreements with African universities for the provision of joint tertiary education programmes	▶	**YOA commencing 1 July 2027**
Captive Insurance Companies • Tax exemption for captive insurance companies licensed before 19 June 2026 extended for an additional 5-year period	▶	**13 August 2026**
Tax holiday for start-up enterprises • 10-year tax holiday for start-up enterprises, subject to the enterprises: - being incorporated on or after 19 June 2026 and managed in Mauritius - conducting its operations in Mauritius or Africa - falling under the National SME Incubator Scheme (NSIS) and supported by an accredited incubator - having an annual turnover not exceeding MUR 100 million.	▶	**13 August 2026**
Income Tax Holidays • Removal of tax exemption on income derived from activities carried out under the Integrated Modern Agricultural Morcellement Scheme administered and managed by the Economic Development Board	▶	**YOA commencing 1 July 2027**
• Income derived by a Company incorporated on or after 1 July 2021 and holding an Investment Certificate issued by the Economic Development Board to be exempted for a period of 8 succeeding years from the income year in which that company starts its operations	▶	**13 August 2026**

Personal Tax

Personal Tax

Amendments	Effective Date

New income tax band

- Introduction of a new tax band for chargeable income in excess of MUR 12 million. The new tax brackets are as follows:

Annual Chargeable Income (MUR)	Tax Rate
0 – 500,000	0%
500,001 – 1,000,000	10%
1,000,001 – 12,000,000	20%
Above 12,000,000	35%

- Fair Share Contribution for individuals now repealed with the introduction of the marginal tax rate of 35%

▶ **Income year commencing 1 July 2026**

Income tax exemptions

- Qualifying non-citizen employee of a company engaged in the manufacturing of solar photovoltaic systems now entitled to a 4-year tax exemption

▶ **Income year commencing 1 July 2026**

- Tax-free lump sum received as pension, retiring allowance or severance allowance increased from MUR 3 million to MUR 3.5 million

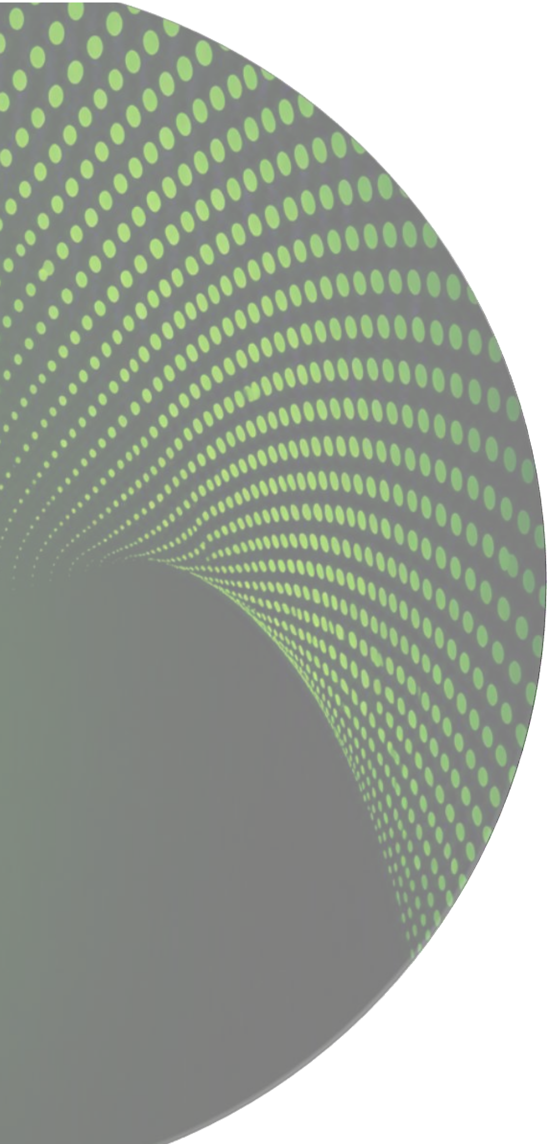
▶ **19 June 2026**

Personal Tax

Amendments	Effective Date
Golden Visa Scheme • Tax benefits to Golden Visa holders: ○ Income derived from work performed remotely from Mauritius to be taxed on a remittance basis ○ Money spent in Mauritius through the use of foreign credit or debit cards not deemed to have been remitted to Mauritius ○ Income brought and deposited in a Mauritius bank account subject to tax, unless the holder declares that the required tax has been paid thereon in his country of origin or residence	▶ **13 August 2026**

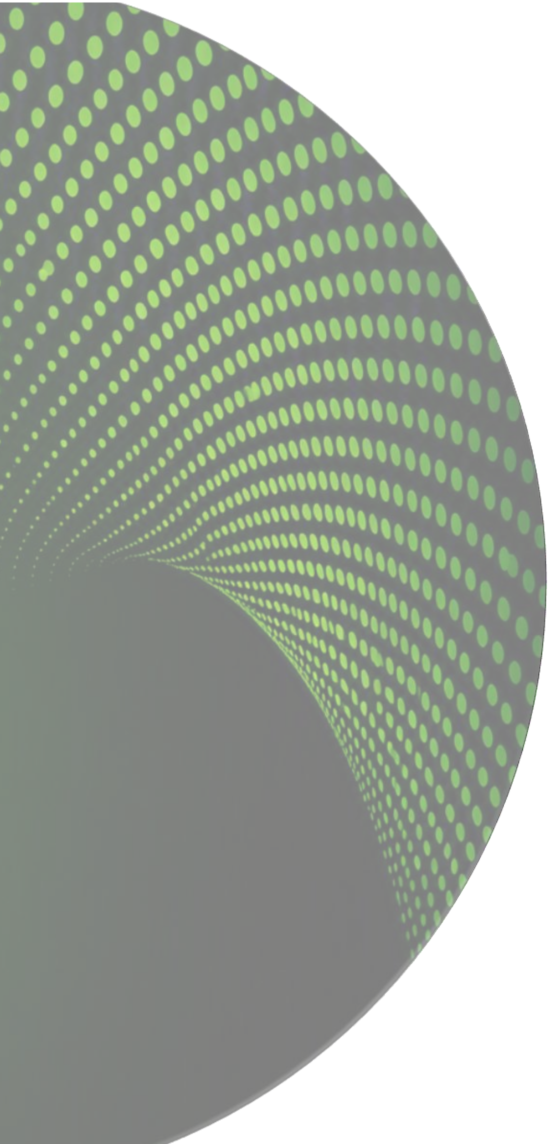
VAT

VAT



Amendments	Effective date
Insurance Premium Tax on General Insurance Business • Insurance premium tax to be levied by general insurers at the rate of 5% on value of premiums paid under general insurance business • Return and payment required to be submitted by general insurers electronically by the end of the following month • Penalty for late submission of return at MUR 2,000 per month/part of month capped at MUR 20,000 • Penalty and interest for late payment of insurance premium tax as follows– ○ Penalty – 10% of the tax due ○ Interest – 1% per month/part of month on any unpaid tax	▶ **1 January 2027**

VAT



Amendments		Effective date
VAT on digital or electronic services • Online marketplace and digital platforms now fall under the ambit of digital and electronic services • 'Online marketplace and digital platforms' defined as: ○ Digital platform connecting or facilitating electronic transactions and interactions, whether directly or indirectly, between sellers and buyers for the supply of goods and services; and ○ includes website, web-based portal or gateway applications store, digital distribution platform or any other similar platform; • 'Online marketplace' excludes a platform which solely processes payments electronically	▶	**13 August 2026**
• Compulsory VAT registration not required for foreign suppliers of digital or electronic services with turnover of taxable supplies not exceeding MUR 3 million or with taxable supplies made exclusively to a VAT registered person	▶	**1 October 2026**
• Foreign supplier of digital or electronic services not required to appoint tax representative for submission of VAT return	▶	**13 August 2026**

VAT

Amendments	Effective date
VAT Exemption • Services rendered by MCs to the following parties now reclassified from zero-rated to exempt supplies: o Global Business Companies o Trusts with settlor and majority beneficiaries being non-resident o Foundations with founder and majority beneficiaries being non-resident **Remittance of VAT in foreign currency** • VAT-registered persons providing accommodation services in hotel or tourist residence receiving more than 50% in foreign currency now required to remit 50% of VAT payable in foreign currency	▶ **1 October 2026**
Zero-rated Supplies • Zero-rated supplies now to include payment services to non-residents and GBCs by holder of a payment service provider license issued by BOM **Credit for input tax against output tax** • Time limit to claim credit for input tax against output tax now reduced from 36 to 24 months **Fair Share Contribution on Corporates** • Fair Share Contribution obligation to be based solely on chargeable income threshold of MUR 24 million, irrespective of VAT registration or supplies in excess of MUR 24 million	▶ **13 August 2026**

Tax Administration

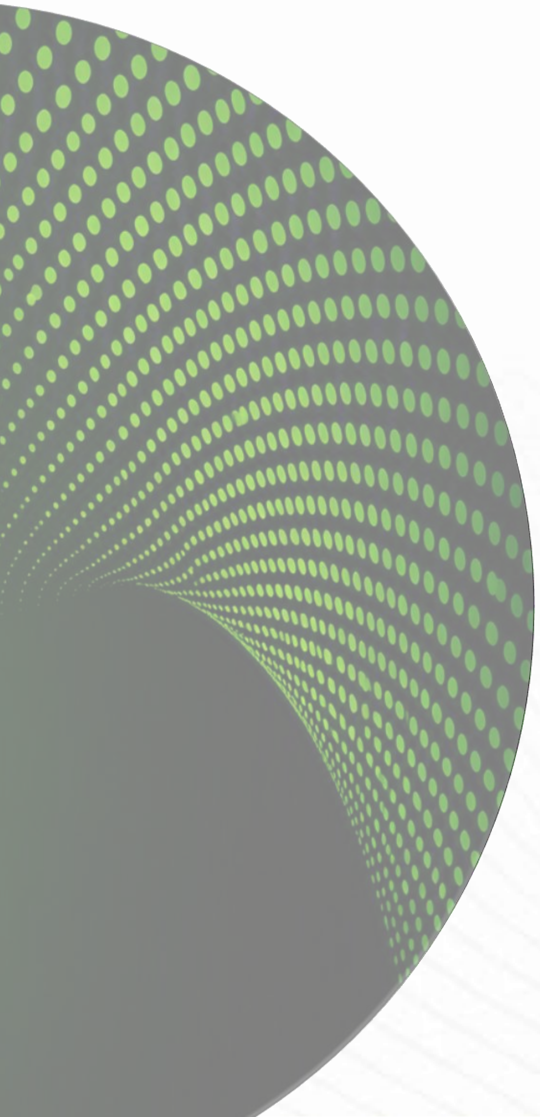
Tax Administration

Amendments	Effective Date
Compliance Agreement for resolution of tax matters • Introduction of compliance agreement under the Revenue Law between MRA and a taxpayer to allow early resolution of tax matters before an assessment, claim or notice of determination of objection is issued • The binding agreement shall outline the following: o agreements reached between the parties o amount of tax and interest payable o terms of payment • A taxpayer who has entered into a compliance agreement will not have the right to object or appeal to matters covered under the agreement • The MRA has the right to issue an additional assessment or claim in respect of matters claimed under an agreement where: o the taxpayer fails to disclose material information impacting his tax liability o material information is made available to the MRA after the agreement is entered into	**13 August 2026**
Director's Liability • Director's liability in respect of unpaid corporate income tax applicable to principal officers now restricted to executive management position • The principal officer now defined as the executive director, or any other person who exercises or is entitled to exercise or controls or is entitled to control, the powers of the Board of directors	**13 August 2026**

Tax Administration

Amendments		Effective Date
VAT Offences - Introduction of fines and penalties for VAT non-compliance as follows: o Fine not exceeding MUR 100,000 and imprisonment term not exceeding 2 years shall apply for failure to submit information requested by the MRA o Fine for failure to produce books and records, grant access to electronic devices or obstruct an officer during inspection now increased from MUR 200,000 to MUR 500,000	▶	**13 August 2026**
Non-issuance of fiscal invoice o Fine for failure to issue a fiscal invoice previously at MUR 10,000 per month, capped at MUR 200,000 now increased to MUR 5,000 per day and capped at MUR 1 million o Fine for failure to use the e-invoicing system now capped at MUR 500,000 instead of MUR 200,000 and imprisonment terms for non-compliance increased from 12 months to 24 months	▶	**1 October 2026**
VAT on Import of Capital Goods - A VAT-registered person may declare directly in its VAT return the VAT on import of capital goods amounting to MUR 500,000 or more instead of paying the VAT at customs - Penalty of MUR 10,000 to be applicable in case of non-compliance with the above with the importer having the right to make an appeal. Following the sanction, if the importer does not report the VAT in the subsequent VAT return, the unpaid VAT will be recoverable under the Customs Act - Under the Customs Act, the offender shall be liable to pay, in addition to the above duties and taxes, a penalty capped at 50% of the unpaid duties and taxes and interest at 0.5% per months	▶	**1 October 2026**

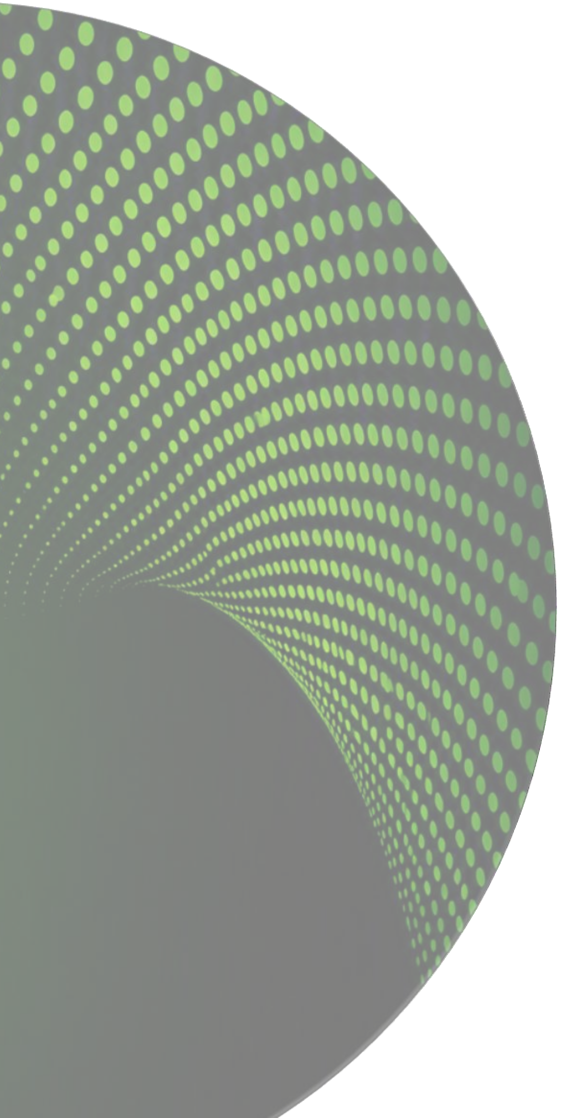
Tax Administration



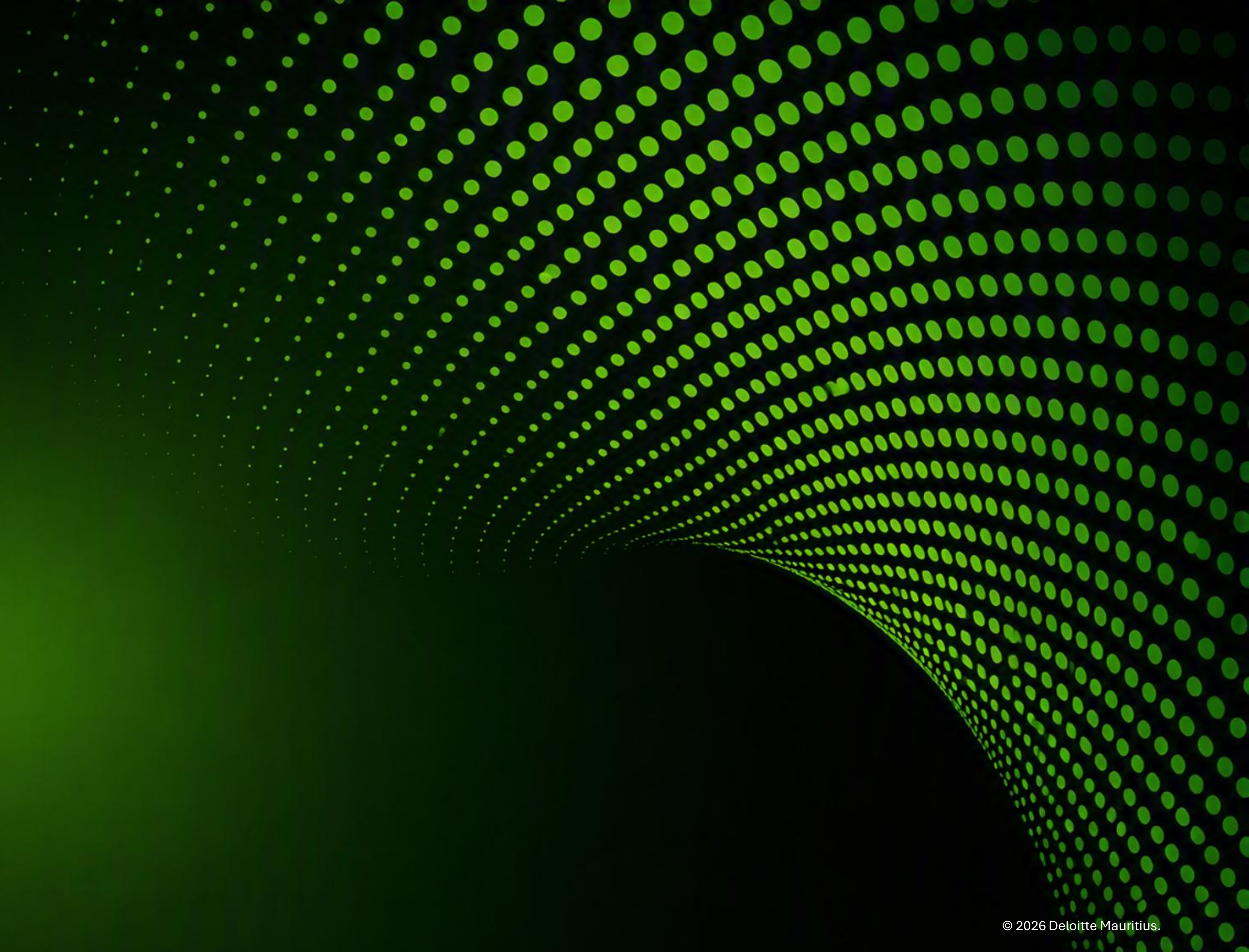
Amendments	Effective Date
Time of supply of goods and services for VAT • The time of supply of a good or service is now deemed to occur 3 months from the date the supply is delivered or performed, where neither an invoice has been issued nor a payment received	**1 October 2026**
Registration of Tax agents • Individuals are now required to demonstrate to the committee that they have a minimum of 3 years of relevant experience or comply with prescribed terms and conditions to be eligible to register as tax agents	**13 August 2026**
Appeal before the Revenue Tribunal • The capping of MUR 5 million payable at the time of making an appeal before the Revenue Tribunal now extended to appeals against determination of the Registrar-General or a claim of the MRA under the Customs Act or regulations, the Customs Tariff Act or regulations, Exercise Act, Land (Duties and Taxes) Act and VAT Act or regulations	**1 September 2026**

Other Taxes

Other taxes

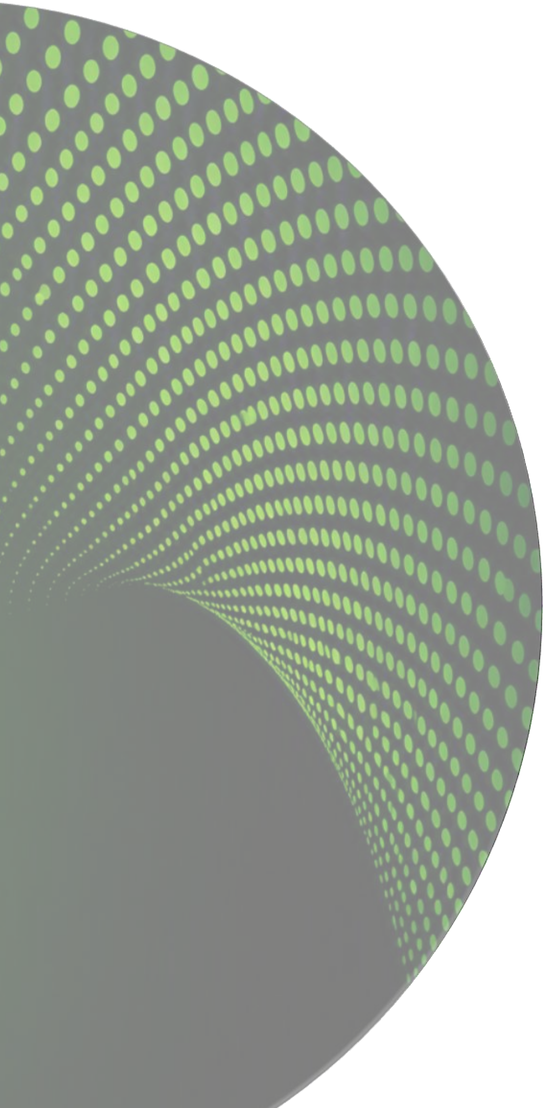


Amendments	Effective date
Registration Duty (RD) • RD Exemption for first-time buyers: ○ Bare Land- Up to MUR 150,000 representing 5% on the first MUR 3 million of the property's value ○ House or apartment- Up to MUR 300,000 representing 5% on the first MUR 6 million of the acquisition price • The exemption will be extended to individuals who already own agricultural land, who were previously excluded.	**13 August 2026**
Land Transfer Tax • Rate of 5% now applicable on transfers of residential property to non-citizens under an EDB Property scheme or under Non-Citizens (Property Restriction) Act • Introduction of additional 10% duty to be borne by the vendor on the transfer of residential property located on State land or Pas Géométriques where the purchaser is a non-citizen	**13 August 2026**



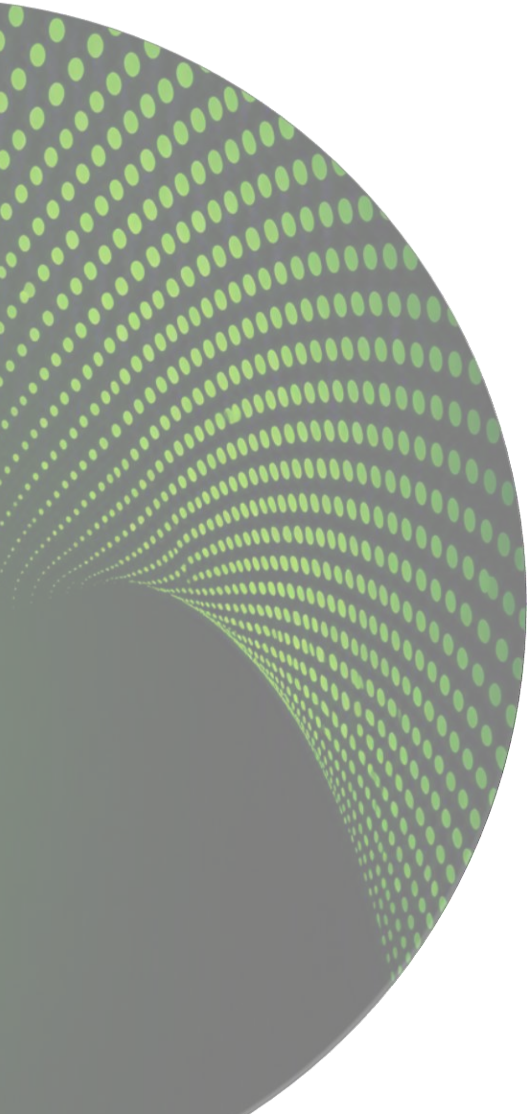
Regulatory

Regulatory



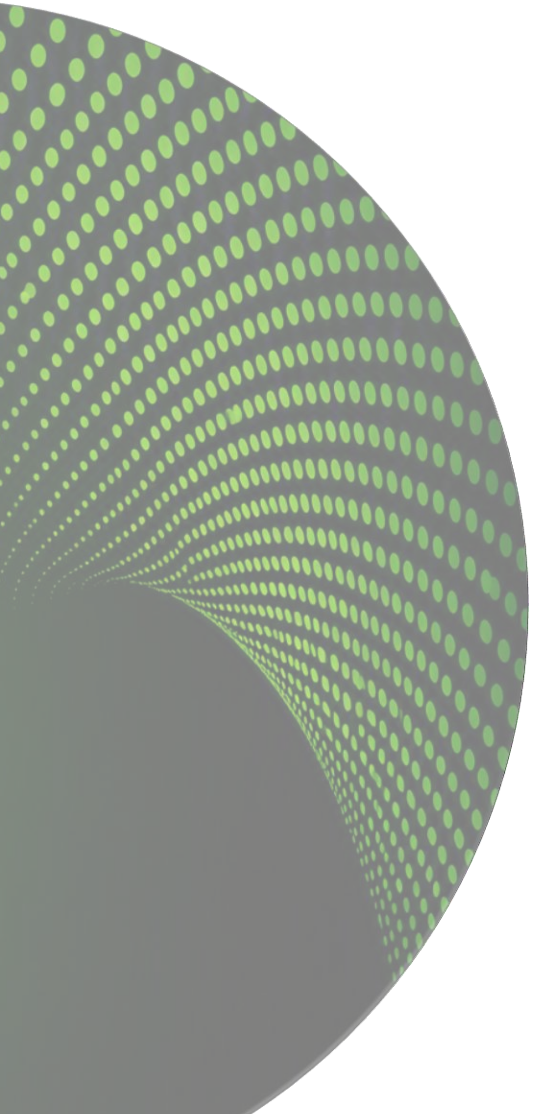
Amendments		Effective date
Variable Capital Companies Act 2022 • Expansion of conversion eligibility to explicitly permit any company incorporated in Mauritius, including a protected cell company, to be converted into a variable capital company • Introduction of a statutory mechanism enabling a VCC, with prior FSC approval, to enter contractual obligations with or provide ancillary services to its sub-funds, provided such activities do not require a separate licence under relevant Acts	▶	**1 September 2026**
Financial Reporting Act • New definition of "sustainability reporting standards" to include International Financial Reporting Standards (IFRS) and Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), as adopted or recognised by the Council • Introduction of sustainability reporting standards, allowing the Council to adopt voluntary or mandatory standards based on public interest, systemic financial risk, entity size, and international best practice • Expansion of monitoring scope to integrate sustainability reporting standards alongside existing compliance checks • Council empowered to issue warnings, order restatements, or take remedial action for non-compliance with sustainability reporting standards	▶	**13 August 2026**

Regulatory



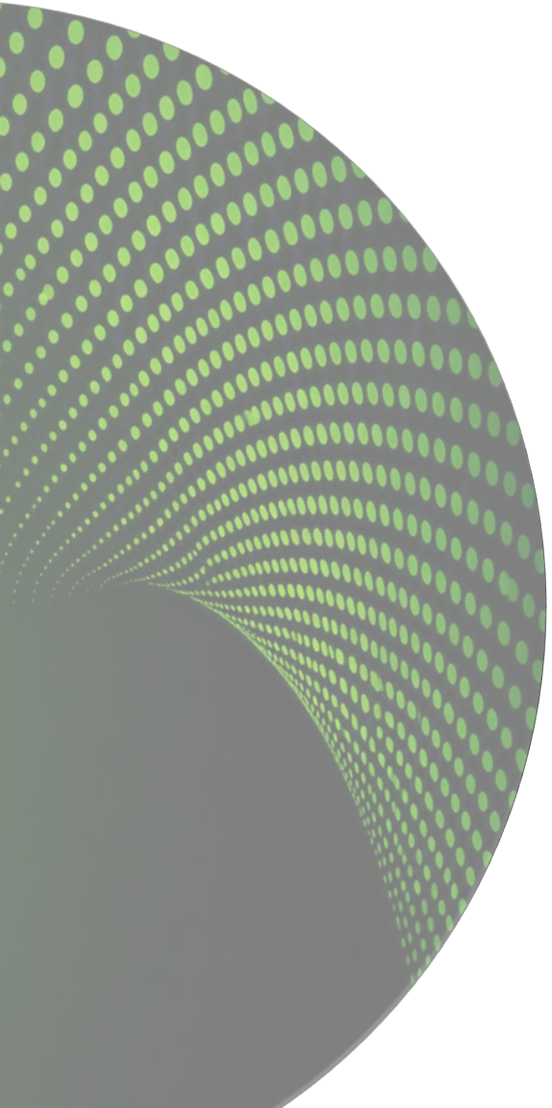
Amendments		Effective date
Immigration Act		
• Deletion of the "family occupation permit" definition and related references; standard permits may now be issued in digital, card, or paper-based format	▶	**13 August 2026**
• Mandatory digital travel authorisation for incoming travellers, with prescribed fee payment prior to admission, unless Minister-exempted		
• Visas may only be cancelled where the holder is declared a prohibited immigrant		
• Dependent status entitlements expanded to include a non-citizen spouse's dependent child and parent	▶	**01 October 2026**
• For marriages celebrated outside Mauritius between citizens and non-citizens, an official document from a competent authority, or a Supreme Court sworn affidavit must be provided for temporary residence permit	▶	**01 October 2026**
Financial Intelligence and Anti-Money Laundering Act		
• FSC empowered to exercise disciplinary powers under the Financial Services Act to impose administrative sanctions on non-compliant financial institutions	▶	**13 August 2026**

Regulatory



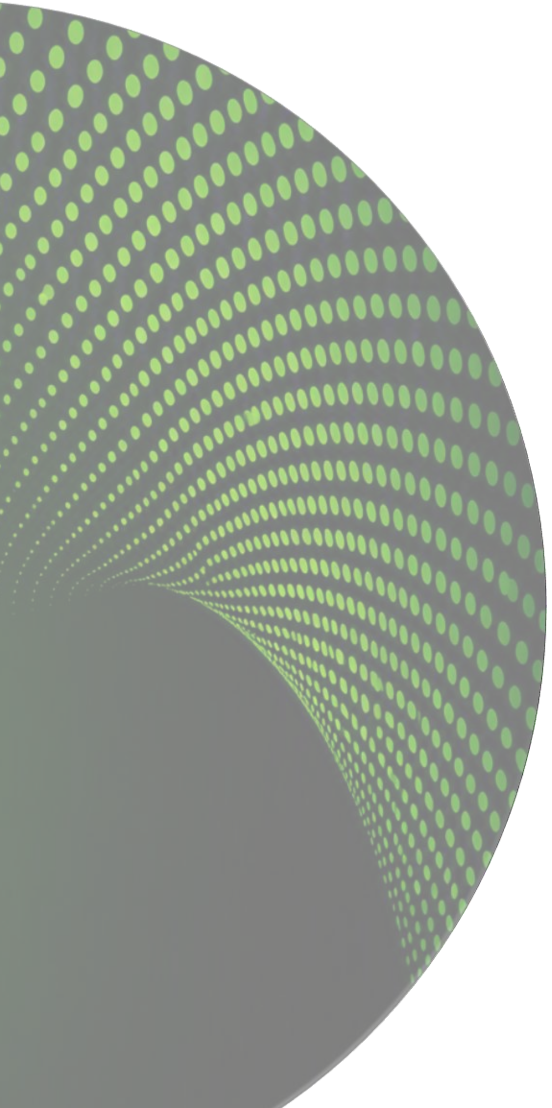
Amendments		Effective date
Financial Services Act • National Fintech Governance Committee (NFGC) established as central coordination and oversight body for fintech strategy implementation • Recordkeeping requirements for particulars of the assets of a trust has been repealed • FSC empowered to direct corrective measures where advertisements/communications/promotional activities are misleading or prejudicial to investor protection • FSC empowered to appoint a conservator to take control of a licensee where financial condition, governance, or compliance gives rise to supervisory concerns; conservator empowered to manage, preserve, and reorganise the licensee's business and assets, with a rehabilitation/reorganisation framework established • Licensees required to operate bank accounts as per FSC signatory guidelines • Introduction of a Private Wealth Management Licence, subject to FSC approval	▶	**1 September 2026**

Regulatory



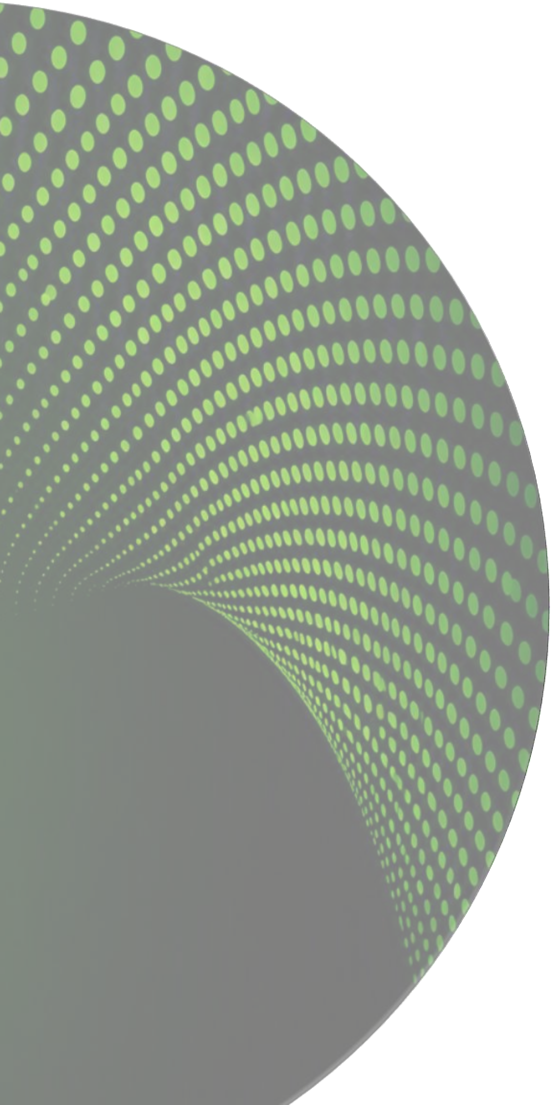
Amendments		Effective date
Workers' Rights Act 2019 • Female workers entitled to one day's paid menstrual leave per month for severe menstruation-related symptoms/disorders; not treated as absence for annual/sick leave qualification purposes	▶	**13 August 2026**
• Maternity leave extended to 26 weeks' full pay, with an option for an additional 26 weeks at half pay • Paternity leave increased from 4 to 6 consecutive weeks	▶	**1 January 2027**

Regulatory



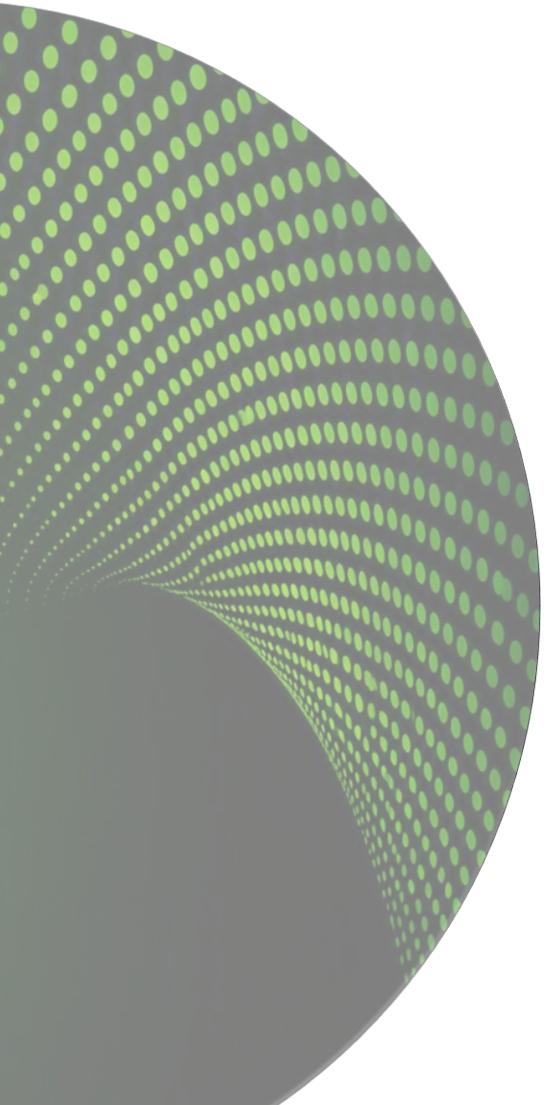
Amendments	Effective date
Economic Development Board Act • Introduction of an AI City Scheme and AI City Scheme Certificate for qualifying AI, digital, advanced computing infrastructure, and advanced manufacturing projects • Introduction of a Golden Visa regime for eligible investors, including an AI Founder pathway under the AI City Scheme, requiring a minimum investment of USD 1 million to qualify under the First Schedule • Investor: dual regime removed; minimum investment raised from USD 50,000 to USD 100,000; turnover requirement replaced with MUR 5M from year 3 and MUR 8M from year 5 for renewal • Investor for innovative startups: revised renewal criteria based on annual progress/development reports confirming product viability by end of year 5 • Professional: ProPass/Expert Pass distinction removed; single Professional category requiring minimum monthly basic salary of MUR 50,000 • Self-Employed: business income thresholds replaced with turnover requirements of MUR 2M from year 3 and MUR 3M from year 5 for renewal • Technical Category: new occupation permit category for contractual/technical personnel under Government-to-Government agreements, with eligibility possible below the MUR 50,000 salary threshold subject to prescribed conditions. Occupation permits valid for 3 years initially and can be renewed • Repeal of the Integrated Modern Agricultural Morcellement Scheme and related certificate regime	▶ **13 August 2026**

Regulatory



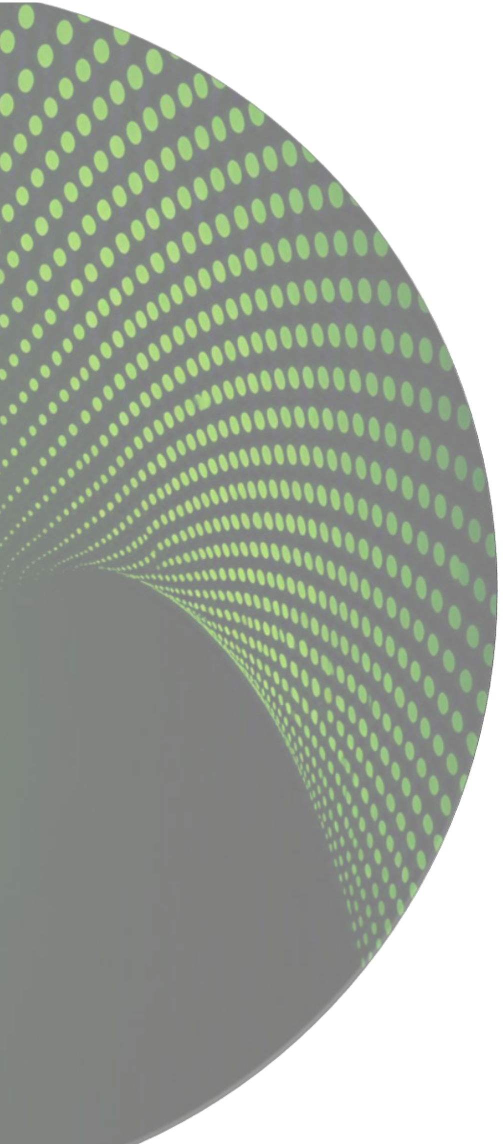
Amendments		Effective date
Limited Liability Partnerships Act • Financial summary and full financial statements filing threshold increased from MUR 50M to MUR 100M turnover • Addition of the beneficial owner’s or ultimate beneficial owner’s date of birth to the required beneficial ownership information, with a transitional provision requiring LLPs registered before commencement of the new requirement to comply by 30 June 2027	▶	**13 August 2026**
Limited Partnerships Act • Date of birth of the beneficial owner or ultimate beneficial owner added to the required beneficial ownership information, with a transitional provision requiring limited partnerships registered before commencement of the new requirement to comply by 30 June 2027 • Small limited partnership turnover threshold increased from MUR 50M to MUR 100M	▶	**13 August 2026**

Regulatory



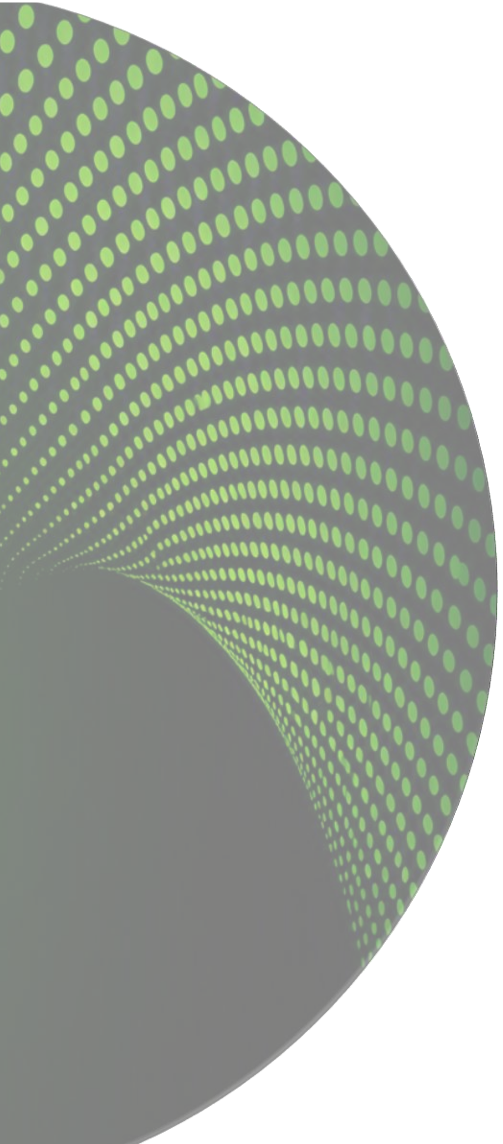
Amendments	Effective date
Bank of Mauritius Act	
• Bank empowered to establish a Cyber Threat Intelligence Sharing Platform for financial sector cybersecurity resilience • Minister, after consulting the Governor, empowered to inject funds into the Bank to increase paid-up capital	▶ **13 August 2026**
• Minister empowered to transfer funds or Government securities to preserve the Bank's paid-up capital from impairment	▶ **30 June 2025**
Banking Act	
• Central Bank empowered to disclose information to the Financial Crimes Commission, in addition to the FSC • Disclosure orders may include customer information relating to transactions/accounts of any person • Scope of disclosure orders extended to financial crime enquiries under the Financial Crimes Commission Act 2023 • Financial Crimes Commission Act 2023 and UN Sanctions Act added to enactments prevailing over confidentiality provisions in case of conflict	▶ **13 August 2026**

Regulatory



Amendments	Effective date
Foundations Act • Definition of "charitable foundation" introduced for inspection/regulatory oversight purposes • Date of birth of each beneficial owner/ultimate beneficial owner required in the register of beneficial owners; existing foundations to update by 30 June 2027	▶ **13 August 2026**
Companies Act • Beneficial Ownership Register requirements extended to partnerships; Registrar to maintain a register of partnership beneficial owners; information must be filed on registration and within 14 days of change; existing partnerships to comply by 31 March 2027 • Companies required to record date of birth of beneficial owners/ultimate beneficial owners; existing companies to comply by 30 June 2027 • Annual reports to include a sustainability report, where applicable, per the Financial Reporting Act	▶ **13 August 2026**

Glossary



Glossary	Definition
AI	Artificial Intelligence
APS	Advance Payment System
BO	Beneficial Owners
CI	Chargeable Income
CCR	Corporate Climate Responsibility
CSR	Corporate Social Responsibility
EDB	Economic Development Board
EUR	Euro
FA 2026	Finance Act 2026
FSC	Financial Services Commission
GBCs	Global Business Companies
LTT	Land Transfer Tax
M	Million
MCs	Management Companies
MIPA	Mauritius Institute of Professional Accountants
MNE	Multinational Enterprise
MRA	Mauritius Revenue Authority
MUR	Mauritian Rupee
NGOs	Non-Government Organisations
NSIS	National SME Incubator Scheme
OECD	The Organisation for Economic Co-operation and Development
QDMTT	Qualified Domestic Minimum Top-Up Tax
RD	Registration Duty
UBO	Ultimate Beneficial Owners
TDS	Tax Deducted at Source
VAT	Value-Added Tax
VCC	Variable Capital Company
YOA	Year of Assessment

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